

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Peter G. Sheridan
:
v. : Crim. No. 14-20
:
KAMAL J. JAMES, and : 18 U.S.C. §§ 286, 287, 1341,
CRYSTAL G. HAWKINS : and 2

SUPERSEDING INDICTMENT

The Grand Jury, in and for the District of New Jersey,
sitting at Trenton, charges:

COUNT 1
(Conspiracy to Defraud the United
States With Respect to Claims)

1. At all times relevant to this Superseding Indictment:

a. Release Refunds or Release Refunds 9

(hereinafter, "Release Refunds") was a purported tax return preparation business based in Brick Township, New Jersey and then Seaford, Delaware. According to certain of its promotional materials, Release Refunds specialized in "getting tax refunds for inmates released from prison." Release Refunds claimed to be "an independent tax preparation service and not the IRS." Release Refunds began filing tax returns in or around 2012 and continued filing returns into 2013.

b. Kamal J. James, who also referred to himself during the course of the conspiracy as "Bro Messiah Aziz El" (hereinafter, "JAMES"), was an individual who resided in or

around Seaford, Delaware and in or around Manassas, Virginia and was a principal of Release Refunds.

c. Crystal G. Hawkins, who also referred to herself during the course of the conspiracy as "Sis. Crystal Gabri El" (hereinafter, "HAWKINS"), was an individual who resided in or around Laurel, Delaware and purported to be a tax return preparer and principal of Release Refunds. Hawkins also resided in or around Lakewood, New Jersey.

The Conspiracy

2. From at least as early as October 2011 through in or about October 2013, in the District of New Jersey and elsewhere, defendants JAMES and HAWKINS did knowingly and intentionally conspire and agree with each other and others to defraud the United States and a department and agency thereof, specifically the Internal Revenue Service ("IRS"), by obtaining, and aiding each other and others to obtain, the payment and allowance of false, fictitious and fraudulent claims, namely, federal income tax refunds based upon the submission of materially false federal income tax returns.

Object of the Conspiracy

3. The object of the conspiracy was to fraudulently obtain federal income tax refunds by preparing and submitting on behalf of present and former inmates at New Jersey state correctional facilities (collectively, the "inmates") federal

income tax returns containing fabricated information that falsely stated that federal income tax refunds were owed to those inmates.

Manner and Means of the Conspiracy

4. The manner and means by which defendants JAMES and HAWKINS and their co-conspirators sought to accomplish the conspiracy included, among other things, the following:

a. Defendants JAMES and HAWKINS solicited "clients" for Release Refunds by, among other things, disseminating flyers to individuals who had recently been released from state prisons in New Jersey and transferred to halfway houses in New Jersey. Among other things, each flyer stated: "Congratulations! We heard you're on your way home. We know you're excited and ready to get back into society. What better way to begin then with a little extra cash . . . Whoever thought being in prison could get you some cash!" The flyer also advised that JAMES and HAWKINS would receive 25 percent of each refund as their "preparation fees."

b. Defendants JAMES and HAWKINS attached to each flyer a form requesting certain information from the inmate (the "Inmate Form"), including his or her name, social security number, employment while incarcerated, and tax years for which the inmate wished to have returns prepared. The Inmate Form did not ask for information regarding wages or other income that the

inmate had earned while incarcerated, or income taxes withheld from such wages. Inmates were instructed to complete the form to "begin the Release Refunds Process."

c. Defendants JAMES and HAWKINS maintained Post Office boxes to receive from prison inmates the completed Inmate Forms and other documents necessary to carry out the conspiracy. These Post Office boxes were listed on the Inmate Forms as the address for Release Refunds.

d. After receiving the completed Inmate Form from an inmate, defendants JAMES and HAWKINS sent the inmate an invoice, blank individual income tax returns and other IRS forms, including Forms 4852 - Substitute for W-2 ("Forms 4852"), and an instruction sheet advising the inmate to sign the returns, but not to fill out any information on the returns or the other IRS forms.

e. Upon receiving the signed blank tax returns and IRS forms, defendants JAMES and HAWKINS prepared and filed the tax returns, fabricating the wages and withholding amounts on the Forms 4852 to fraudulently generate federal income tax refunds.

f. Defendants JAMES and HAWKINS filed the fraudulent federal income tax returns using HAWKINS' Preparer Tax Identification Number and with HAWKINS' signature as the tax preparer.

g. Defendants JAMES and HAWKINS filed the fraudulent federal income tax returns using JAMES' residence as the taxpayer address.

h. Defendants JAMES and HAWKINS opened numerous bank accounts in their individual names and business accounts in the name of Release Refunds (the "Release Refunds Bank Accounts").

i. JAMES and HAWKINS used the Release Refunds Bank Accounts to, among other things, receive the fraudulently-obtained refunds from the United States Department of the Treasury. Once JAMES and HAWKINS received the refunds, they paid inmates a portion of those refunds; paid referral fees to other inmates who steered new clients to Release Refunds; and took their purported preparation fees.

5. It was further part of the conspiracy that:

a. On or about October 6, 2011, defendant HAWKINS submitted an application for a Post Office box in or around Brick, New Jersey (the "Brick PO Box"). The application listed, among others, defendant JAMES as an individual who would receive mail at the Brick PO Box. The Brick PO Box was used to receive mail from inmates in furtherance of the conspiracy, including completed Inmate Forms and signed tax returns.

b. On or about April 11, 2013, defendants JAMES and HAWKINS sent an instruction form, Release Refunds invoice, blank income tax returns for tax years 2010 through 2012, and other

required IRS forms including Form 4852, to an undercover law enforcement agent posing as a prison inmate in New Jersey (the "UC"). The UC had previously sent a completed Inmate Form to Release Refunds at a post office box in Seaford, Delaware controlled by defendants JAMES and HAWKINS. The UC provided an address in Roselle, New Jersey.

c. On or about June 2, 2013, defendants JAMES and HAWKINS caused to be filed with the IRS fraudulent federal income tax returns on behalf of the UC for tax years 2010 through 2012 (the "UC Tax Returns"). The UC Tax Returns included fabricated wages and withholdings that the UC did not provide to defendants JAMES or HAWKINS.

In violation of Title 18, United States Code, Section 286.

COUNTS 2-17
(False, Fictitious and Fraudulent Claims)

1. Paragraphs 1 to 5 of Count 1 of this Superseding Indictment are hereby incorporated and re-alleged as if fully set forth herein.

2. On or about the dates set forth below, in the District of New Jersey and elsewhere, defendants KAMAL J. JAMES and CRYSTAL G. HAWKINS, knowingly made and presented, and caused to be made and presented, to the United States claims for payment of fraudulent tax refunds in the amounts listed below, with knowledge that such claims were false, fictitious, and fraudulent:

Count	Tax Year	Initials of Purported Taxpayer	Approximate Date of Filing	Approximate Refund Amount Claimed
2	2009	S.A.P.	October 4, 2012	\$2,081.00
3	2010	S.A.P.	October 5, 2012	\$2,101.00
4	2011	S.A.P.	October 5, 2012	\$1,695.00
5	2010	R.W.	June 11, 2013	\$2,049.00
6	2011	R.W.	June 11, 2013	\$2,101.00
7	2012	R.W.	June 11, 2013	\$1,658.00
8	2009	N.D.	October 12, 2012	\$2,030.00
9	2011	N.D.	October 12, 2012	\$1,510.00
10	2009	R.C.	April 11, 2013	\$2,100.00
11	2011	R.C.	April 11, 2013	\$1,719.00

12	2009	D.P.	August 21, 2012	\$2,049.00
13	2010	D.P.	August 21, 2012	\$2,181.00
14	2011	D.P.	August 21, 2012	\$1,658.00
15	2009	G.C.	November 13, 2012	\$2,097.00
16	2010	G.C.	November 13, 2012	\$2,122.00
17	2011	G.C.	November 13, 2012	\$1,675.00

In violation of Title 18, United States Code, Section 287
and Title 18, United States Code, Section 2.

COUNTS 18-20
(Mail Fraud)

1. Paragraphs 1 to 5 of Count 1, and paragraphs 1 and 2 of Counts 2 to 17 of this Superseding Indictment are hereby incorporated and re-alleged as if fully set forth herein.

The Mail Fraud Scheme

2. From at least as early as in or around October 2011 through in or around October 2013, in the District of New Jersey and elsewhere, defendants KAMAL J. JAMES and CRYSTAL G. HAWKINS knowingly and intentionally did devise and intend to devise a scheme and artifice to defraud the United States by obtaining, and aiding each other and others to obtain, the payment and allowance of false, fictitious and fraudulent claims, namely, federal income tax refunds.

3. The object of this scheme was to fraudulently obtain federal income tax refunds by preparing and submitting on behalf of the inmates federal income tax returns containing fabricated information that falsely stated that federal income tax refunds were owed to those inmates.

4. On or about the dates listed below, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute the scheme to defraud the United States, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises,

defendants KAMAL J. JAMES and CRYSTAL G. HAWKINS did knowingly and intentionally place and cause to be placed in a post office and authorized depository of mail, and cause to be sent and delivered by the United States Postal Service, certain mail matter, as set forth below, each instance being a separate count of this Superseding Indictment:

Count	Date (On or About)	Mailing
18	April 23, 2013	Mailing from defendants JAMES and HAWKINS in Seaford, Delaware to R.W. in Roselle, New Jersey, enclosing Release Refunds invoice, instruction letter and blank IRS Forms 1040, U.S. Individual Income Tax Return, for 2010, 2011, 2012
19	June 2, 2013	Mailing from defendants JAMES and HAWKINS to the IRS enclosing fraudulent Form 1040, U.S. Individual Income Tax Return for 2012 on behalf of the purported taxpayer referred to above as R.W.
20	October 9, 2012	Mailing from defendants JAMES and HAWKINS to the IRS enclosing fraudulent Form 1040, U.S. Individual Income Tax Return for 2011 on behalf of the purported taxpayer referred to above as N.D.

In violation of Title 18, United States Code, Section 1341 and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATION

1. The allegations contained in paragraphs 1 to 4 of Counts 18 to 20 of this Superseding Indictment are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. The United States hereby gives notice to the defendants that, upon conviction of any of the offenses alleged in Counts 18 through 20 of this Superseding Indictment, the government will seek forfeiture, in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), of any and all property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such offenses.

3. If by any act or omission of the defendants, any of the property subject to forfeiture described above:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;

It is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendants up to the value of the above-described forfeitable property.

A TRUE BILL

FOREPERSON

Paul J. Fishman

PAUL J. FISHMAN
United States Attorney